Scantic Valley Regional Health Trust (SVRHT)

Board Meeting

Wednesday September 10, 2025, 9:30 AM
By Remote Participation

Meeting Minutes

Members and Alternates present:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden
Barbara Hancock	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD
Anna Bishop	Lower Pioneer Valley Educ. Collab.

Guests present:

Paul Pasterczyk	SVRHT Treasurer
Marcy Morrison	SVRHT Wellness Consultant
Megan Emrick-Laskow	Town of East Longmeadow
Claire Kawalec	Town of Longmeadow
Ian Coddington	Town of Longmeadow
Jocelyn Sanchez	Town of Longmeadow
Douglas Slaughter	Hampden Wilbraham RSD
Sophia Bletsos	Town of Wilbraham
Gloria Congram	Town of Wilbraham
Karen Fink	Lower Pioneer Valley Educ. Collab.
Heidi Fountain	Blue Cross Blue Shield of MA (BCBS)
Judy Moniz	Blue Cross Blue Shield of MA (BCBS)
Alysha Beaudry	Abacus Health Solutions
Sandra Ruiz	Health New England
Elaine Wilson	Point 32 Health
Melissa Gabriel	Point 32 Health
Chris Collins	CanaRx
Jim Riley	CanaRx
Joseph Anderson	Gallagher Benefit Services, Inc. (GBS
Karen Quinlivan	Gallagher Benefit Services, Inc. (GBS)
Patrick Flattery	Gallagher Benefit Services, Inc. (GBS)

Arlene Miller, Chair, called the meeting to order at 9:34 AM. The Roll was taken with voting attendees listed as:

Arlene Miller, Chair	Town of Longmeadow
Dick Patullo	Town of Hampden

Barbara Hancock	Town of Wilbraham
Christina Gagnon	Hampden Wilbraham RSD
Anna Bishop	LPVEC

Approval of the minutes of June 17th, 2025, meeting:

Dick Patullo moved approval of the minutes of June 17th, 2025 meeting with minor spelling changes.

Motion

Barbara Hancock seconded the motion. There was a roll call vote on the motion:

Arlene Miller	Yes
Dick Patullo	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

Wellness Report:

Marcy Morrison presented her report. There were no new members added to the colonoscopy program this month but there was one inquiry. The annual incentive program ended for the year. Participation is interesting in that all don't always qualify for the reward. They have to earn 50 points. It can be achieved by taking the health risk assessment through their carrier, getting a primary care annual physical and participating in one program like watching a webinar. That is easy to do. Some just do one thing and don't qualify. Health New England has higher requirements than Blue Cross, so the numbers are reflective of that. There was a total of $5,500 paid out to 65 participants. Points ranged from 200 down to 50. A survey was conducted to see what programs people would like to see. There were a lot of responses so more things will be added in the coming year. The Healthy Fit Family App is continuing to add people and will be a reward item if people complete the six-week program. Scantic Valley won gold for its wellness program from Health New England so congratulations to everyone. At the last meeting there was discussion as to whether the reimbursement for the six-week program through Health Trax would be reimbursable. The decision was made to just make it part of the wellness program. Members can receive 50 points and get reimbursed through the wellness program that way. Mammograms, PSA's and smoking cessation could also be added for points incentive to the program.

Dick Patullo asked for budget update information at some point with perhaps quarterly updates.

Treasurer Report:

Treasurer Paul Pasterczyk presented the June 2025 financial reports (unaudited figures). The balance at the beginning of the month was $13.6 million. There was lower than normal receipts because of end of year timing. Everyone has paid their premiums for the month. There was reinsurance money that came in at approximately $104,000 and a Diabetes Care Reward of $21,000. Claims resulted in a cash crunch, so some CD's had to be redeemed and not renewed at the full amount. Overall, for the month it was a net loss of cash of $1.4 million. The year ended with $12,215,000 in cash, which is still healthy but overall, there was a loss of $1.23 million in cash. Business was stopped with three banks as a result of low interest. There is a money market account with Berkshire Bank which is doing well at 4.19%. The unreserved fund balance stood at $7.1 million with $3.3 million above the target balance. Overall, for the fiscal year there was a drop of $2 million from the target or excess over target balance. Fund balance dropped $1.65 million mainly because of expenditures exceeding revenues. The other minor change was the change to incurred but not reported. There was a marked drop in reinsurance in FY25. The group is still in a health position but something to be monitored as a trend not in the trusts favor.

July started with $12.2 million. There was reinsurance of $124,000 and another Health New England prescription credit of $148,000. There were high claims and some CD's had to be liquidated to maintain cash flow. Sometimes at the beginning of the fiscal year premiums do not come in on a timely basis and are usually rectified by August. At the end of the month the group still had about $13 million in the bank. Excess over target was $3.1 million with a drop of about $154,000 from the previous month.

August saw high claims, which will mean another drop in the fund balance. September so far is on target. With the Boards approval, Mr. Pasterczyk would like to engage Scanlon and Associates for the FY25 audit.

Dick Patullo moved approval of the plan to engage Scanlon and Associates for the FY25 audit. | Motion

Barbara Hancock seconded the motion. There was a roll call vote on the motion:

Arlene Miller	Yes
Dick Patullo	Yes
Barbara Hancock	Yes
Christina Gagnon	Yes
Anna Bishop	Yes

The motion passed by unanimous vote.

GBS reports:

Joe Anderson reviewed the FY25 Funding Rate Analysis (FRA) report as of June 2025. Mr. Anderson said the expense to funding ratio through June was 103.7% resulting in a funding deficit of $1,349,081. The renewal expected to erode $2.75 million which was right about where the group was because there was $580,000 in interest. The expectation set with the renewal at 4% against the calculation would use another $3 million and use up most of the excess. With respect

to budgeting, there are double-digit increases planned across the state. The GIC is running well over their budget and is creating difficult planning currently.

July did come in like a lion with the expense to funding ratios at 114.4% and a deficit of $502,951. Weight loss drugs represent an added expense to the Rx spend. The run rate for usage of these drugs is accelerating at a rapid rate. They will no longer be automatically covered on renewal but that is not until July 1st of 2026. Those drugs have been a breaker for the GIC, and they have scheduled a vote to remove them as of January 1st. They can do that because they have a carve out formulary that is not part of the carriers. The next big item will be the senior renewals. Early indications on the PDP increases are that they are north of 10%. Total increase is expected to be material because there is an anticipated increase on the medical side as well. The group would have the option to retain the weight loss drugs come July, but the financial exposure and utilization will have to be weighed.

Dick Patullo asked what all the carriers are doing besides Blue Cross.

Sandra Ruiz from Health New England said because Scantic is self-funded, they can continue to cover the drugs. The fully funded side of the business is dropping them as of January 1st or renewal.

Mr. Anderson mentioned the Hampshire County Group Insurance Trust that had a run rate of over $7 million on GLP1 drugs and as a result they had to do an interim increase of 20% to prevent the requirement to dissolve. That is why the carriers removed them from the fully insured side of their business. It is not sustainable.

Heidi Fountain reminded everyone that the Blue Cross Weight Management Program was put into place that required individuals to participate to receive GLP1 medication. That will help transfer behavior so that they will no longer need the drugs when the coverage comes off the formulary.

Karen Quinlivan reviewed the FY24 reinsurance reports. She said with data through June, there were 10 claimants with $ 2,358,568.89 in claims above the $250K deductible. The $150K Aggregating Specific Deductible has been met. Total reimbursements to date were $2,350,688.79 and there is an overpayment credit of $142,119.90. There were 24 claimants with claims between $125K and $250K totaling $ 3,771,632.10. The same reports for FY25 through June have six members in excess with $ 606,338 in excess claims. Aggregating specific has been met and there are outstanding reimbursements of 197,983.53. Fifteen members are at the 50% level with total updated paid claims of $2,668,526.71.

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Health plan and vendor reports:

Blue Cross- Heidi Fountain said she did not have anything new to report at this time.

Health New England – Sandra Ruiz congratulated the group on the gold award. There will be an awards ceremony in early October. Semi-annual notices and creditable coverage notices will be going out soon.

Harvard Pilgrim – Elaine Wilson announced that Point 32 is happy to partner with the Wellness Program for Scantic Valley and award $2000 towards those programs. The recognized drug for weight loss is Wegovy, and there will be an ability to carve out those drugs as of the July renewal.

CanaRx – Jim Riley was unable to attend the meeting but did submit a report for review.

Other business:

There was no other business.

The Chair, Arlene Miller, set the next Board meeting for Wednesday October 8thth, 2025, at 9:30 AM.

Ms. Miller adjourned the meeting at 10.44 AM.

Minutes prepared by Karen Quinlivan
Gallagher Benefit Services, Inc.